Aboriginal Affairs and Northern Development Canada

Affaires autochtones et Développement du Nord Canada

PSAB Procurement Strategy for Aboriginal Business

Canada

Commercial reproduction and distribution is prohibited except with written permission from the Government of Canada's copyright administrator, Public Works and Government Services of Canada (PWGSC). For more information, please contact PWGSC at:
613-996-6886 or at: droitdauteur.copyright@tpwgs-pwgsc.gc.ca.

www.ainc-inac.gc.ca
1-800-567-9604
TTY only 1-866-553-0554

QS-2019-000-BB-A1

© Minister of the Department of Aboriginal Affairs and Northern Development Canada, 2011

Introduction

There are currently more than 37,000 Aboriginal owned businesses in Canada, covering a wide variety of economic sectors. The Government of Canada recognizes that an effective way to improve the well-being and quality of life of Aboriginal people in Canada is to improve their economic opportunities. Aboriginal economic development also helps strengthen the Canadian economy in general.

Over the years, Aboriginal Affairs and Northern Development Canada (AANDC) has created different programs to support Aboriginal economic development, including the Procurement Strategy for Aboriginal Business (PSAB). PSAB aims to increase the number of Aboriginal firms participating in the federal procurement process.

Under PSAB, qualified Aboriginal firms can bid on government procurement contracts through several business arrangements, such as sub-contracting and joint ventures with other firms. The PSAB is open to all Aboriginal businesses, including sole proprietorship, limited companies, co-operatives, partnerships, and not-for-profit organizations.

Since PSAB's establishment in 1996, more than 100,000 contracts have been awarded to Aboriginal suppliers with a total value of $3.3 billion. PSAB also helps fulfill the Government of Canada's priority to strengthen Aboriginal entrepreneurship as outlined in the Federal Framework for Aboriginal Economic Development, announced in 2009.

The Government of Canada strongly encourages Aboriginal businesses and federal employees to do business together. This booklet is designed to outline useful information about PSAB for both Aboriginal businesses and federal employees interested in finding out more about how the program can and does work for them.

Table of Contents

Introduction i

INFORMATION FOR ABORIGINAL BUSINESSES 2

Doing Business with the Federal Government 2

How to Subscribe to and Use MERX 3

INFORMATION FOR FEDERAL EMPLOYEES 4

Promoting Aboriginal Economic Development 4

The Set-Aside Program for Aboriginal Business 6

PSAB Checklist Approach 8

PSAB Procedural Flow Chart 10

FREQUENTLY ASKED QUESTIONS 11

Small and medium-sized businesses of all kinds have found that the federal government can be an important market for their products and services.

Doing Business with the Federal Government

The Opportunity

The Government of Canada spends approximately $20 billion a year on goods, services, and construction. As the Government's main purchasing arm, Public Works and Government Services Canada (PWGSC) plays a key role by helping departments define their requirements or scope of work, and obtaining the goods and services they need at the right price. However, you don't have to be a big firm to do business with the federal government. In fact, most government contracts are valued at less than $100,000.

Small and medium-sized businesses of all kinds have found that the federal government can be an important market for their products and services. Aboriginal firms have traditionally been under-represented in this area. The Procurement Strategy for Aboriginal Business (PSAB) is designed to encourage federal government officials and Aboriginal firms to do more business together.

The Procurement Strategy for Aboriginal Business

Under the PSAB, contracts that serve a primarily Aboriginal population are set aside for competition among qualified Aboriginal businesses. Federal employees are also encouraged to voluntarily set aside opportunities for competition among Aboriginal businesses whenever practical.

Aboriginal businesses can also compete for federal contracts which are open to all qualified suppliers, as well as those which are set aside for competition among qualified Aboriginal suppliers.

Who Qualifies

The PSAB is open to all Aboriginal businesses, including sole proprietorships, limited companies, co-operatives, partnerships, and not-for-profit organizations. To be considered an Aboriginal business, the following criteria must be met:

- at least 51 per cent of the firm must be owned and controlled by Aboriginal people, and
- if the firm has six or more full-time staff, at least one third of the employees must be Aboriginal.

If a firm is starting a joint venture, at least 51 per cent of the joint venture must be owned and controlled by an Aboriginal business or businesses.

A firm must demonstrate, for the duration of the contract, a level of Aboriginal content amounting to 33 per cent of the value of the work performed by the Aboriginal business.

The Contracting Process

Aboriginal firms should also get to know the people within the federal government who may want to buy their goods or services. Firms can market themselves to PSAB coordinators and departmental material managers, and use this network to learn about upcoming opportunities (**https://buyandsell.gc.ca/for-businesses/contacts/departmental-materiel-managers**).

Aboriginal businesses can identify prospects for contracts under $25,000 through departmental material managers. Larger federal contracts are listed on the MERX electronic bidding system (**http://www.merx.com**).

When a firm bids on a contract that has been set aside under the PSAB, it must prove that it meets PSAB's eligibility criteria. Aboriginal Affairs and Northern Development Canada (AANDC) has the right to audit Aboriginal supplier certifications to ensure that the eligibility criteria are met. Registration is not required for regular competitive contracts that do not fall under the PSAB.

Getting Started

For more information on the PSAB, eligibility requirements and the MERX system, please contact your regional AANDC office or go to AANDC's web site (**http://www.aandc.gc.ca**).

Aboriginal businesses should register their firms with Industry Canada's Aboriginal business database: **http://www.ic.gc.ca/app/ccc/sld/cmpny.do?tag=248&profileId=381&lang=eng**

For answers to questions about PSAB, please visit our website at **http://www.ainc-inac.gc.ca/ecd/ab/psa/faq-eng.asp** or call our toll-free number 1-800-400-7677.

How to Subscribe to and Use MERX

To subscribe to MERX, begin by clicking on the "Register Now" button located on the MERX home page **http://www.merx.com**. You will then be prompted to read and accept the MERX Terms and Conditions and to then complete an online registration form. The last page of the registration process will present you with a Supplier Confirmation Letter which will include your User ID and password. We recommend that you print and store this page in a secure location.

You will then be brought to the MERX Login page. Once you log in, you may immediately use MERX Canadian Public Tenders and benefit from all of its services.

From the MERX Canadian Public Tenders home page you can easily find the opportunities relevant to your business through the list of opportunities sorted by industry type. This list displays the number of open-tender opportunities by industry category and the number of new opportunities published that day.Again, from the MERX Canadian Public Tenders home page, you can enter a keyword to conduct a simple search for open tender opportunities. To search for set-aside contracts, use the following search words: Aboriginal, Indians, First Nations, Métis, Innu, Inuit, SPAB (Set-aside Program for Aboriginal Business) and PSAB.

For further help with MERX and bidding on tenders, please contact the Office of Small and Medium Enterprises (OSME):
InfoLine (National): 1-800-811-1148
Email: **ncr.contractscanada@pwgsc-tpsgc.gc.ca**
Telephone: 819-953-7878, Facsimile: 819-956-6123
Website: **www.buyandsell.gc.ca**

Or you may also contact MERX Customer Support:
Email: **merx@merx.com** for the Public Tenders, U.S. Tenders, or Private Construction services, or MERX in general.
Email: **priv@merx.com** for Private Tenders service
Fax: 1-888-235-5800
Call: 1-800-964-MERX (6379) or (613) 727-4900

As an employee of the Public Service, you have an important role to play in this initiative.

Promoting Aboriginal Economic Development

Did you know that there are more than 37,000 Aboriginal owned businesses in Canada, spanning all sectors of the economy? These businesses create jobs for Aboriginal and non Aboriginal people and help strengthen local economies. But when it comes to federal government procurement, Aboriginal businesses are under represented. The Government of Canada is working to change that with the Procurement Strategy for Aboriginal Business (PSAB) -- a strategy designed to increase the number of Aboriginal firms participating in the federal procurement process.

As an employee of the Public Service, you have an important role to play in this initiative. You can help Aboriginal firms do business with the federal government while continuing to meet the contracting principles of prudence, probity, and best value for the Canadian public.

The Procurement Strategy for Aboriginal Business

The Government of Canada launched the Procurement Strategy for Aboriginal Business (PSAB) in 1996 to help Aboriginal firms do more contracting with all federal departments and agencies. Here's how it works:

Setting aside contracts for Aboriginal firms
We're reserving all procurements that serve a primarily Aboriginal population and are worth more than $5,000 for competition among qualified Aboriginal businesses.

We're also encouraging federal government buyers to set aside other procurements for competition among Aboriginal businesses whenever practical.

Joint Venturing
We're encouraging Aboriginal firms to create joint ventures with other Aboriginal or non Aboriginal firms in bidding for federal government contracts.

Sub contracting
Whenever contractors need assistance to fulfil a federal government requirement, we're encouraging them to sub contract to Aboriginal businesses, as long as the prime contract is not subject to international trade agreements.

Getting the Word out
The Government of Canada is making sure that Aboriginal businesses and public servants are aware of this strategy. Across the country, we are talking to Aboriginal businesses about federal procurement opportunities and contracting procedures. We're also informing public servants about the initiative and about Aboriginal suppliers - who they are, where they can be found, and the goods and services they provide.

Eligibility
The PSAB is open to all Aboriginal businesses. A business can include a sole proprietorship, limited company, co operative, partnership, or not for profit organization. To be considered an Aboriginal business, a firm must meet the following criteria:

- at least 51 per cent of the firm is owned and controlled by Aboriginal people, and
- at least one third of the firm's employees, if it has six or more full time employees, must be Aboriginal

If a firm is starting a joint venture or consortium, it must meet the following criteria:

- at least 51 per cent of the joint venture or consortium must be controlled and owned by an Aboriginal business or businesses, as defined above.

When a firm bids for a contract under the PSAB, it must confirm that it meets the above criteria, and it must provide proof of eligibility upon request. Aboriginal Affairs and Northern Development Canada (AANDC) exercises the right to audit Aboriginal supplier certifications.

Your Role

Each federal department or agency that purchases in excess of $1 million worth of goods, services, and construction annually has agreed to establish performance objectives related to this initiative. To help your department or agency meet its goals, you can:

- promote federal procurement opportunities for Aboriginal businesses whenever possible
- set aside contracts for Aboriginal business according to the guidelines described above, indicating on your requisition form: "This requirement is set aside for Aboriginal suppliers in accordance with the Pro urement Strategy for Aboriginal Business"

- inform the departmental manager responsible for procurement activities every time you contract with an Aboriginal supplier to help your department track its achievements against its performance objectives
- tell other public servants about this initiative.

Finding Aboriginal Suppliers

To find Aboriginal businesses that can supply you with the goods, services and construction you need, check out Contracts Canada's Supplier Registrations Inventory (SRI) and/or Industry Canada's Aboriginal Business Directory, available on AANDC's web site (**www.aandc.gc.ca**).

For more Information
To learn more about PSAB or Aboriginal firms in your area, contact the AANDC office nearest you: **http://www.ainc-inac.gc.ca/ai/scr/rgcon-eng.asp**

The Set-Aside Program for Aboriginal Business

The Federal Framework for Aboriginal Economic Development, launched in 2009 by the Government of Canada, aims to ensure that First Nations, Inuit and Métis have every opportunity to share in Canada's economic opportunities and prosperity. PSAB delivers on the Framework's strategic priority of strengthening Aboriginal entrepreneurship by enhancing support for Aboriginal businesses to market their goods and services.

The Set-Aside Program for Aboriginal Business is one of the policies governing the purchase of goods, services and construction by contracting officials in the departments and agencies of the Government of Canada. In addition to the Government's support for Aboriginal economic development through training, financing and infrastructure development, it also supports Aboriginal business growth.

A contract that is "set-aside for Aboriginal Business" means that only Aboriginal businesses are acceptable bidders. The Set-Aside program has two parts: the mandatory set-aside and the voluntary set-aside.

Mandatory Set-Aside
All procurements over $5,000 for which Aboriginal populations are the primary recipients are to be restricted exclusively to qualified Aboriginal suppliers.

Set-aside procurements are subject to the normal competitive principles of contracting policy intended to ensure that Canadians receive best value for their money. The procurement will often be open for competition, limited to Aboriginal firms. The contracting authority must feel confident that operational requirements, best value, prudence and probity, and other elements of sound contracting management, can be assured.

Voluntary Set-Aside
Used by federal departments and agencies in procuring goods, services, or construction where Aboriginal capacity exists.

Federal departments and agencies voluntarily decide to apply PSAB set-asides where sound contracting management can be assured and maintained. In all cases, the Aboriginal supplier must be PSAB registered.

How the Set-Aside Program for Aboriginal Business Works
When identifying a set-aside, the contracting authority should have some confidence that qualified Aboriginal businesses exist to meet the need. If the procurement is to be offered on the MERX Canadian Tenders website it is posted with "Aboriginal Set-Aside" prominent in the description. If it is appropriately treated as an Advance Contract Award Notice (ACAN), it will be posted as such but also identified as an Aboriginal Set-Aside.

If the procurement is below the $25,000 threshold for the use of the MERX Canadian Tenders website, or for another reason is not being offered on MERX, bids will be solicited in other standard ways, but will still be identified as an Aboriginal Set-Aside.

Each bidder on a procurement set-aside must confirm on the bid document that the bidder meets the PSAB criteria of eligibility for an Aboriginal business, is willing to be audited to that effect, and understands that any misrepresentation could be followed up by legal action. The contracting officer will accept the PSAB certification form, and notify Aboriginal Affairs and Northern Development Canada (AANDC) so that certification may be selectively audited for evidence and accuracy.

Non-applicability of International Trade Agreements

The *Agreement on Internal Trade* (AIT) does not apply to any measure adopted or maintained with respect to Aboriginal people. It does not affect existing Aboriginal or treaty rights of any of the Aboriginal peoples of Canada under Section 35 of the Constitution Act, 1982. The *International Trade Agreements* allow for exemptions from their provisions for set aside for small or minority businesses. A contracting opportunity set-aside for Aboriginal suppliers is; therefore, not required to adhere to the provisions of these trade agreements.

Eligibility for the Aboriginal Set-Aside

An eligible bidder is a business in which Aboriginal persons have at least 51 per cent ownership and control, or a joint venture in which an Aboriginal business or businesses have at least 51 per cent of the ownership and control. In addition, if the Aboriginal business has six or more full-time employees, at least 33 per cent of the employees must be Aboriginal persons.

"Aboriginal person" means, for the purpose of this directive, a Canadian citizen who is ordinarily resident in Canada and who is:

a) registered under the Indian Act; or

b) included on a Band List pursuant to the Indian Act; or
c) a member of an affiliate of the Métis National Council or the Congress of Aboriginal Peoples; or
d) enrolled under a comprehensive land claims agreement; or
e) a member of an Aboriginal group with a comprehensive land claim that has been accepted by the Government of Canada; or
f) acknowledged by an established Aboriginal community in Canada as having Aboriginal ancestry.

Certain other conditions must be accepted by a bidder on set-aside procurement, relating to use of subcontractors. For these conditions, and a copy of the certification which must be completed and accompany each bid on a set-aside, see **Requirements for the Set-Aside Program for Aboriginal Business**, available from:

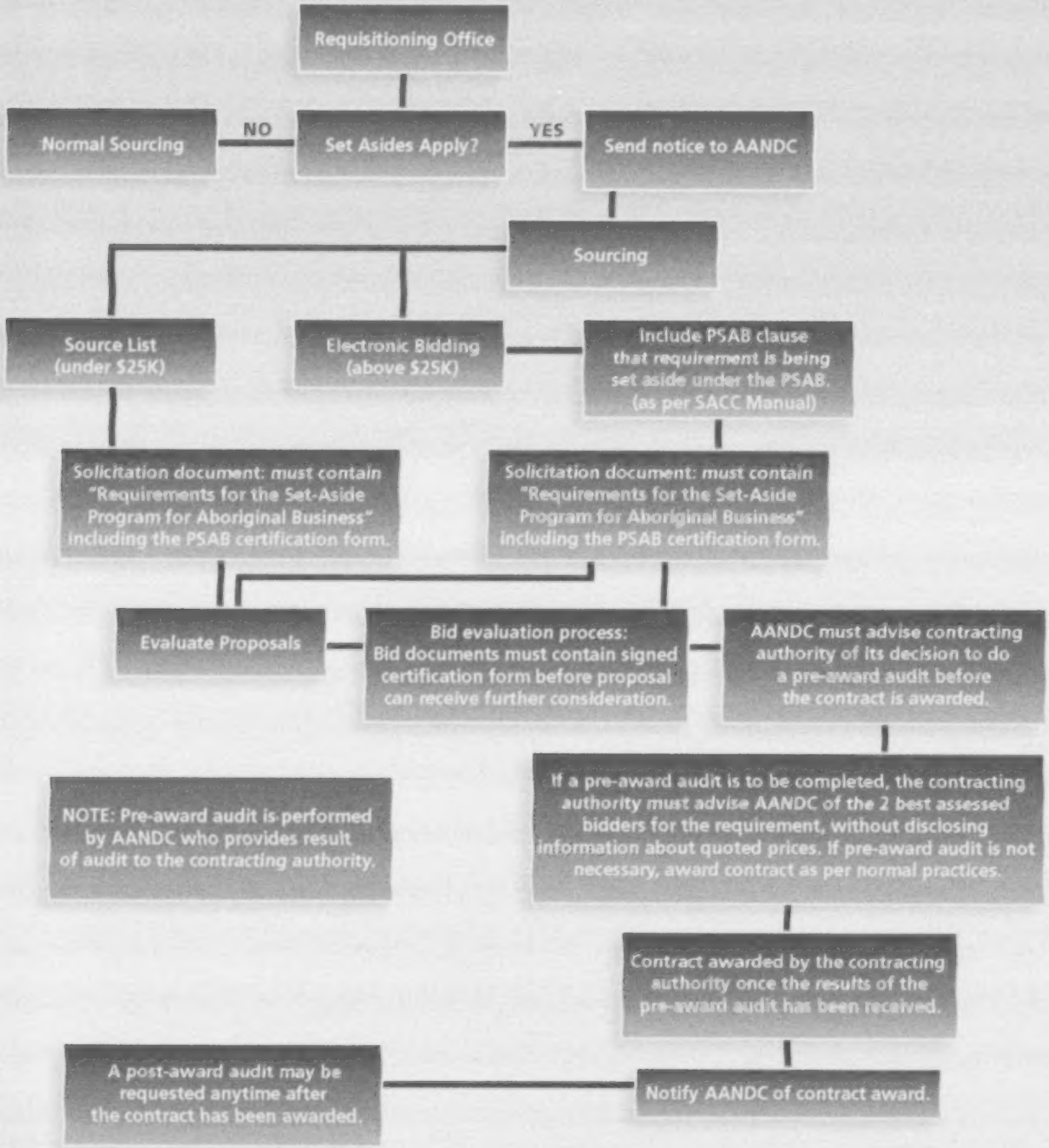
Aboriginal Procurement and Business Promotion
Directorate of Aboriginal Affairs and Northern Development Canada (AANDC) at 1-800-400-7677, fax 819-956-9837, or psab-saea@aadnc-aandc.gc.ca

The following checklist is to assist government procurement officials with establishing a PSAB set-aside.

	Action Performed?	Yes	No
1.	It is the responsibility of the requisitioning office, regardless of the dollar value, to determine if a procurement opportunity meets the mandatory conditions to be set aside under this Program. Alternatively, is the procurement suitable for a voluntary set aside under the Program? Have these determinations been made?		
2.	Contracting authorities must clearly document on the file that a decision has been made by the requisitioning office to set procurement aside for Aboriginal business. Has this task been completed?		
3.	Has notification of the decision to set aside been provided to AANDC? Notices must be sent to: **Director** 10 Wellington Street, Room 635 Gatineau, QC K1A 0H4 Aboriginal Procurement and Business Promotion **Aboriginal Affairs and Northern Development Canada (AANDC)** Fax: (819) 956-9837 Email: psab-saea@aadnc-aandc.gc.ca Notices must contain the following information: – Requisitioning office – Est. dollar value – Description of goods, services, or construction – Solicitation number – Closing date – Buyer name, and phone/fax numbers		
4.	For all requirements set-aside, has the contracting authority included a statement within the solicitation document that clearly identifies the opportunity as a set aside for Aboriginal businesses?		
5.	For requirements that will be posted through electronic bidding and/or the Government Business Opportunities Bulletin, has the contracting authority included a statement within the Notice of Proposed Procurement that clearly identifies the competition as set aside for Aboriginal businesses?		
6.	Has the "Requirements" document been included with all solicitation documents being sent to potential suppliers for set aside requirements?		
7.	Has AANDC informed the buyer, by the bid closing date, of the decision to perform a pre award audit of the contracting opportunity? The pre award auditing process can only begin once the contracting authority has evaluated all of the bids.		

	Action Performed?	Yes	No
8.	In instances where AANDC has notified the contracting authority that a pre-award audit is required, has the contracting authority notified AANDC of the two best assessed bidders for the requirement, without disclosing the bid prices?		
9.	Has AANDC transmitted the information regarding the pre award audit findings to the contracting authority so the contract may be awarded in a timely manner?		
10.	Where the results of the audit have indicated that the best assessed bidder was not in compliance with the "Certification Requirements" established under the Aboriginal set aside program, has the contracting authority considered the bid non compliant and turned to the audit results of the next best assessed bidder?		
11.	Has notification of the contract award been provided to AANDC? Notices must be sent to: **Director** 10 Wellington Street, Room 635 Gatineau, QC K1A 0H4 Aboriginal Procurement and Business Promotion **Aboriginal Affairs and Northern Development Canada (AANDC)** Fax: (819) 956-9837 Email: psab-saea@aadnc-aandc.gc.ca Notices must contain the following information: – Contract value – Contract number – Buyer name and phone/fax numbers – Name of Contractor, phone/fax number and address – Date of contract signing		
12.	Has the contracting authority ensured that contract clauses required by the PSAB (refer to the PWGSC Standard Acquisition Clauses and Conditions (SACC) Manual for guidance) are included within the contract?		

PSAB Procedural Flow Chart


Requisitioning Office
Normal Sourcing
NO
Set Asides Apply?
YES
Send notice to AANDC
Sourcing
Source List (under $25K)
Electronic Bidding (above $25K)
Include PSAB clause that requirement is being set aside under the PSAB. (as per SACC Manual)
Solicitation document: must contain "Requirements for the Set-Aside Program for Aboriginal Business" including the PSAB certification form.
Solicitation document: must contain "Requirements for the Set-Aside Program for Aboriginal Business" including the PSAB certification form.
Evaluate Proposals
Bid evaluation process: Bid documents must contain signed certification form before proposal can receive further consideration.
AANDC must advise contracting authority of its decision to do a pre-award audit before the contract is awarded.
NOTE: Pre-award audit is performed by AANDC who provides result of audit to the contracting authority.
If a pre-award audit is to be completed, the contracting authority must advise AANDC of the 2 best assessed bidders for the requirement, without disclosing information about quoted prices. If pre-award audit is not necessary, award contract as per normal practices.
Contract awarded by the contracting authority once the results of the pre-award audit has been received.
A post-award audit may be requested anytime after the contract has been awarded.
Notify AANDC of contract award.

Frequently Asked Questions

What is the Procurement Strategy for Aboriginal Business (PSAB)?

The PSAB is a strategy that was launched by the Government of Canada to increase the number of Aboriginal suppliers bidding for, and winning, federal contracts.

Basically, the PSAB makes it easier for the federal government and Aboriginal firms to do business with each other. This is achieved in a variety of ways. For example, certain contracts are set aside for competition among Aboriginal businesses. The strategy promotes sub-contracting to Aboriginal firms and encourages Aboriginal firms to form joint ventures with other Aboriginal and non-Aboriginal businesses.

Successful Aboriginal firms create jobs for Aboriginal and non-Aboriginal people, and help strengthen local economies.

What is procurement?

Procurement is the process related to obtaining goods, services or construction services from the initial concept of a requirement to the completion of post-contracting actions, excluding material management activities.

Who does the PSAB apply to?

The PSAB applies to all federal government departments and agencies. Federal Crown Corporations are encouraged to adopt similar measures to increase the amount of contracting they do with Aboriginal business.

Why is the PSAB necessary?

The Government of Canada recognizes that when it comes to federal government procurement, Aboriginal businesses pursuing and winning contracts are under-represented. The PSAB aims to change this by increasing the number of Aboriginal firms participating in the federal procurement process. Successful Aboriginal firms create jobs for Aboriginal and non-Aboriginal people, and help strengthen local economies.

Who is eligible under the PSAB?

The PSAB is open to all Aboriginal businesses, incorporated or not. A business includes a sole proprietorship, limited company, co-operative, partnership, or not-for-profit organization. To be considered an Aboriginal business, a firm must meet the following criteria:

- at least 51 per cent of the firm is owned and controlled by Aboriginal people, and
- at least one third of the firm's employees, if it has six or more full-time staff, are Aboriginal.

If a firm is starting a joint venture, at least 51 per cent of the joint venture must be controlled and owned by an Aboriginal business or businesses, as defined above.

What does "Aboriginal" mean for the purposes of the PSAB?

Aboriginal person means, for the purpose of this directive, a Canadian citizen who is ordinarily resident in Canada and who is:

a) registered under the Indian Act; or
b) included on a Band List pursuant to the Indian Act; or
c) a member of an affiliate of the Métis National Council or the Congress of Aboriginal Peoples; or
d) enrolled under a comprehensive land claims agreement; or
e) a member of an Aboriginal group with a comprehensive land claim that has been accepted by the Government of Canada; or
f) acknowledged by an established Aboriginal community in Canada as having Aboriginal ancestry.

How do Aboriginal firms confirm that they meet the PSAB criteria?

To do so, firms must complete and sign the form entitled "Aboriginal Business Directory Application".

Note: An Aboriginal bidder must provide proof of eligibility upon request. Aboriginal Affairs and Northern Development Canada (AANDC) audits Aboriginal supplier registrations on a random basis.

Is funding available to assist Aboriginal businesses through the PSAB?

No. The PSAB assists businesses by creating opportunities to compete for contracts.

How does the Government of Canada find suppliers?

Federal departments or agencies seeking Aboriginal suppliers refer to Industry Canada's Aboriginal Business Directory (ABD) and Public Works and Government Services (PWGSC) Supplier Registration Information (SRI) which is an electronic inventory of Aboriginal suppliers in Canada. The ABD is available on AANDC's Web site at **http://www.aandc.gc.ca.**

Typically, federal departments and agencies have three ways of finding suppliers. They may list requirements on MERX, an electronic tendering system. As a general rule, the federal government uses MERX to advertise the following opportunities: goods, services and construction.

Please go to **https://www.buyandsell.gc.ca/eng/for-businesses/find-opportunities** for the dollar threshold summary for posting bid opportunities on MERX.

Aboriginal firms that meet the PSAB eligibility requirements are strongly encouraged to register in the Aboriginal Business Directory (ABD).

How can Aboriginal firms market their goods and services to the federal government?

The Government of Canada recommends that Aboriginal suppliers register with Industry Canada's Aboriginal Business Directory (ABD) and PWGSC's full SRI, which is available on the Internet through AANDC's Web site. Firms can register on-line or by contacting their nearest AANDC office. If they are already registered, firms should remember to keep their information up to date.

A firm should also contact the nearest Public Works and Government Services (PWGSC) office to describe the goods and services it provides, indicating that it meets the PSAB requirements. PWGSC handles a large portion of contracting opportunities within the federal government. PWGSC also maintains supplier source lists for the purchase of goods and services under $25,000, as well as separate source lists for low-dollar value purchases in the areas of construction, architecture and engineering services.

A firm should also promote itself, on a one-on-one basis, with representatives of departments and agencies that may require its products or services. This way, a firm can tell government representatives about its company and ask to be included in the department's supplier source lists, if applicable.

Note: Industry Canada's Aboriginal Business Directory (ABD) is available for public viewing; whereas Contracts Canada's Supplier Registration Information (SRI) is for government viewing only.

Does registering on the Aboriginal Business Directory (ABD) entitle Aboriginal firms to federal government contracts?

No. Registering on the ABD does not guarantee federal government contracts. However, the ABD is a valuable tool for government buyers and other interested parties who are looking for Aboriginal businesses that can supply the goods and services they need. Having a profile appear on the ABD increases a company's visibility but a company should see it as only one step in its marketing plan.

What are PSAB set-asides?

Under the PSAB, the Government of Canada solicits bids restricted exclusively for qualified Aboriginal businesses. There are two kinds of PSAB set-asides: mandatory and voluntary.

A mandatory set-aside policy applies to all contracts that serve a primarily Aboriginal population (i.e., at least 80 per cent), or whereas the Aboriginal people are the recipients of the good, service, or construction.

Voluntary set-asides may be applied to other contracts by federal buyers whenever practical.

How do PSAB set-asides work?

When a contract is reserved for Aboriginal competition, the department or agency indicates in its advertisement or request for proposal that the requirement is set-aside for Aboriginal suppliers in accordance with the PSAB.

Bids are prepared and submitted by Aboriginal businesses, and are evaluated in keeping with the principles of federal government contracting: fairness, openness and best value for the Canadian public.

Is a PSAB set-aside the same thing as a sole source contract?

No. A sole source contract is used only if it is not in the public's interest to solicit bids, or if only one person or firm is capable of performing the contract. The PSAB set-aside process, on the other hand, ordinarily involves competitive bidding among Aboriginal firms.

Are Aboriginal firms restricted to bidding on only those federal contracting opportunities set aside under the PSAB?

No. Aboriginal Affairs and Northern Development Canada (AANDC) strongly encourage Aboriginal firms to pursue all federal contracts that they feel they can satisfy.

If a PSAB set-aside contract serves a particular Aboriginal community, is the bidding reserved for companies from that community?

No. Any Aboriginal business may bid on any PSAB set-aside contract that it believes it can satisfy.

Can an Aboriginal firm that wins a contract under the PSAB sub-contract out part of the work to an Aboriginal or non-Aboriginal firm?

Yes, as long as 33 per cent of the total value of the work performed under the contract is performed by an Aboriginal business. Value of the work performed is considered to be the total value of the contract less any materials directly purchased by the contractor for the performance of the contract. Please refer to the Interpretation Bulletin – Procurement Strategy for Aboriginal Business for more information: **http://www.ainc-inac.gc.ca/ecd/ab/psa/pubs/inb/inb-eng.asp**

Should Aboriginal businesses consider pursuing other government markets?

Yes. Many more opportunities exist outside the federal government. A firm should also consider opportunities with Crown corporations (federal and provincial), provinces and municipalities. It may also wish to explore international opportunities.

Should an Aboriginal firm consider joint venture opportunities?

Pooling resources with other Aboriginal or non-Aboriginal firms can often be helpful in bidding for and executing government contracts. Suppliers should ask their regional AANDC contact about the joint venture opportunities in their sector or industry. Regional Contact list: **http://www.ainc-inac.gc.ca/ai/scr/rgcon-eng.asp**

Do Aboriginal firms need to provide financial security to bid on federal government contracts?

Contracting officers determine if bid security is needed for procurements on a case by case basis.